



**NJ DEPARTMENT OF STATE
OFFICE OF FAITH-BASED INITIATIVES GRANT PROGRAM**

Social Entrepreneur and Enterprise Development (SE²D) Project

The mission of the SE²D Project is to nurture an environment that allows for the development of Social Entrepreneur Ventures (SEVs) to create innovative approaches to address social issues. These innovative approaches will drive the complete capital market to eventually scale promising and potentially transformative community based approaches that solve intractable social issues.

The NJOFBI will partner with faith and community based organizations to implement strategies that address social issues in new and exciting ways. More than ever nonprofit leaders need to be entrepreneurs. The job of operating a nonprofit organization has become increasingly complicated. Nonprofit leaders face government funding cuts and rising demands for performance and serious questions about the effectiveness and appropriateness of traditional charitable remedies for social problems. These changes pose both opportunities and challenges.

The underlying focus of the SE²D Project is to support Faith and Community Based Organizations (FBCOs) to develop and launch social entrepreneur ventures that employ earned income strategies to directly address social needs through goods and services.

The SE²D program is competitive and it's two tiered:

Tier 1: Submit the application on SAGE

The maximum score that any one organization can receive for the application is 70. If the written application scores 39 or below it will not be considered for **Tier 2**

Tier 2: Pitch

The maximum score that any one organization can receive for the pitch is 30.

In order to be considered for funding the combination of the written application score and the pitch score cannot be 69 or lower.

If awarded, grantees may receive up to two years of grant support. The grant is not a two year grant; it's actually two one year grants where grantees would have to reapply annually. After year one funding, the capital will be reduced by 50% for year two. For example in year one, the grantee will receive 100% of the award. In year two, the grantee will receive 50% of their year one award. If programs are not deemed renewable based on their final report, unable to reach negotiated benchmarks, the inability to measure for impact and are unable to identify and access other financial resource, grants may not be renewed for year two.

Grant Awards are Subject to the Availability of Funding

OFBI funding period is from July 1, 2015 to June 30, 2016

Current SE²D I & II grantees can apply under this RFP

Eligibility Criteria:

To be eligible to submit an application for the SE²D Project an applicant must submit a joint application as the lead agency in conjunction with its social purpose alliance partner. The lead organization must:

- Be a faith-based non-profit and/or community-based organization;
- Be incorporated in the State of New Jersey as a non-profit corporation or a foreign non-profit corporation. A foreign non-profit corporation must provide a copy of the corporation's "Certificate of Authority";
- Be tax-exempt by determination of the Internal Revenue Service in accordance with Section 501 (c)3;
- Be in good standing with the Department of Treasury, Business Service Center;
- Be registered with the New Jersey Division of Consumer Affairs, Charitable Registration and Investigation Section;

Ineligible Applicants:

- Houses of Worship
- Public/Private/Charter Schools and School Districts
- Colleges/Universities

Social Purpose Alliance Partners:

- May not partner with the lead organization's sister organization and/or for profit and non-profit organizations led by the same person or governing entity;
- Houses of Worship are eligible to partner as a collaborating organization;
- NJOFBI FY'16 grant award cannot be used to sub-contract with other organizations.

Category Descriptions

Applicants will apply and compete within the funding categories listed below. **Applications that are rated 69 percent or lower will not be recommended for funding.**

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SE²D Project (choose one)

Service Category	Maximum Request	Total Funding Available
SE²D Project I	\$50,000	\$200,000
SE²D Project II	\$10,000	\$20,000

SE²D Project I will provide capital formation investments (grants) to existing SEVs with the intent to leverage the SE²D Projects capital investment with other private investments designed to grow and eventually scale the enterprise.

SE²D Project I

- **Must provide a 50 in-kind match based on the requested funding amount.**
- SEV must be beyond the prototype and testing phase and must be at the growth phase;
- They must have been in operation for at least 1 – 3 years;
- Currently generates revenue;
- Participate in mandatory capacity building entrepreneur training;
 - The cost for the business plan development training will be incorporated into the SE²D Project budget at \$700 per organization.

SE²D Project II will provide capacity building capital to nonprofit organizations that are in the emergent stage of forming SEVs and require intensive training and technical assistance, business plan development

and executive staff mentoring, in an effort to move them from idea creation phase to mission phase. **Mission phase is the prototyping and testing of their social value proposition based on the recognition of an opportunity.**

SE²D Project II

- **Must provide a 50 percent in-kind match based on the requested funding amount.**
- Must commit to attend mandatory capacity building entrepreneur training sessions;
 - Two Day Social Entrepreneur Boot Camp (SEBC). SEBC is designed to immerse **SE²D Project II** participants in the theoretical understanding and practical application of what is an SEV and what's its role in embracing business concepts and market forces for the creation of innovative approaches to address social issues;
 - Participation by the organization's executive director, board president, board treasurer, and board secretary is mandatory.
 - The business plan development training is designed to help **SE²D Project II** participants create compelling business plans that allow them to access working capital;
 - Participation by the organization's executive director, board president, board treasurer, and board secretary is mandatory
 - The cost for both the boot camp and the business plan development training will be incorporated into the **SE²D Project II** budget at \$1,400 per organization.

If the organizational representatives for SE²D I & II grantees do not actively participate in mandatory training and technical assistance, the organization will be in danger of losing its SE²D I & II funding and will be obligated to return all funding received.

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Application Due Date: 4:59PM, June 12th, 2015**

Program Funding Provisions

All grant recipients will be required to comply with all items listed below.

- **Nondiscrimination by Religious Organizations and Entities**
Applicants agree that if provided funds for the expansion or development of a specific program from the New Jersey Department of State Office of Faith-based Initiatives, they will not discriminate against any employee or applicant for services or participation in the proposed program on the basis of religion, race, gender and/or physical disabilities.
- **Recognition of Cultural Sensitivity**
Applicants must assure programs are linguistically appropriate and culturally relevant to groups within the community. Appropriate accommodations for services will be developed and maintained for those individuals who are deprived of reasonable access to those services due to language barriers or ethnic and cultural differences. All programs and services *must* be reflective of the demographic needs of the community, while providing all people the opportunity to experience any and all available services irrespective of their ethnic or cultural heritage.

General Information:

Applicants can only apply for one funding category. If an applicant submits multiple proposals, all proposals involved will be disqualified from review. **Awards are subject to the availability of funding.**

APPLICATION REQUIREMENTS

The proposal is to be submitted via the Department of State System for Filing Grants Electronically (SAGE) system no later than 4:59PM, June 12th, 2015.

All applications must consist of and include the following items in order to be considered complete:

APPLICATION FORMAT & SCORING

SECTION 1 Executive Summary (Not to exceed 3500 characters) 5 points

The Executive Summary should encapsulate the key points from the full plan; it should grab the reader's attentions.

SECTION 2 Business Plan**Social Enterprise Venture Concept: 5 points**

- Brief history of the organization and what prompted it to develop a social enterprise venture;
- Description of industry & competitors;
- Product/Service/Program overview;
- Factors giving rise to the social opportunity recognized;
- Market opportunity and strategy to exploit it;

Description of Business Product/Service 5 points

- Describe the product that will be brought to market and/or is currently in the market and why was this product/service chosen?

Social Opportunity Recognized 10 points

- Demonstration of market need both commercial and social
 - Customer, client, community;
- Market size (commercial and social);
- Willingness of customers to pay or private investors to support;
- Willingness of clients to participate in the innovative service;
- Competitive advantage & barriers both commercial and social;
- Describe the Social Issue that is being addressed and how will the venture help the organization address the social issue identified;
- What are the specific ways that make the approach chosen to address the social issue different, better, and new;

Business & Social Goals and Objectives 10 points

- Business Goals
 - How do you plan to prototype and test the product and/or service?
 - How do you plan to enter the market and/or expand market reach?
 - How do you plan to generate and sustain lower gross margin revenues and be sustainable?
- Social goals and objectives

Defining the Market**5 points**

- Strategy and positioning
- Tactics
- Pricing (cost structure)
- Distribution and selling
- Communication strategy (advertising, promotion, and PR)
- Implementation strategy both commercial and social (customer/client attraction, retention, customer service)

Organization and Management Team**5 points**

- Organization chart narrative (upload chart)
- Social enterprise venture chart narrative (upload chart under appendices)
- Key management personnel (biographies, especially key relevant accomplishments upload under appendices)
- Board of directors and other advisors narrative (upload list with titles under appendices)

Operations Plan**5 points**

- How the venture works and how will it support the social approach
- Manufacturing process
- Geographic locations and local resources
- Physical facilities and equipment
- Human resources (hiring, requirements, training, compensation)
- Regulatory and legal issues
- Venture timeline and schedule
- Delivery of social programming attributed to increased revenue generated by social venture

Financing Requirements and Opportunity**15 points**

- Complete budget forms on SAGE
- Budget narrative justifying the startup capital
- Use of capital

Financial Projections**5 points****SE²D Project I**

- Balance sheets (last 3 years)
- Income statements (last 3 years)
- Current cash flow statement (2014)

SE²D Project II

- Estimate of startup costs
- Projected balance sheet (Year 1 & 2)
- Projected income statement (Year 1 & 2)
- Projected cash flow statement (Year 1 & 2)

Required Appendices

- Letter from banking institution and/or notified letter on agency letter head indicating that the 25 percent cash match is available;
- Copy of Certificate of Incorporation;
- Copy of IRS 501(c)3 Status Determination Letter;
- Board Resolution;
- Letters of Support from each of your social purpose alliance partners;
- State of New Jersey W-9 Questionnaire;

- Copy of Most Current Certificate of Standing;
The Certificate of Standing may be ordered on line for a fee.
 - Go to www.nj.gov/njbgs
 - Go to “I Want To” click on “Obtain Standing Certificate”
 - Scroll down to “Service Options” click “Online”
 - Click “Order Certificate”

Appendices

- Staff Resume
- Organizational chart
- Social enterprise venture chart
- Logic Model
- SROI

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